

**STATE OF MONTANA  
DEPARTMENT OF ADMINISTRATION  
ARCHITECTURE AND ENGINEERING DIVISION  
STANDARD FORM OF CONTRACT BETWEEN OWNER AND ENGINEER**

THIS CONTRACT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM  
ARBITRATION ACT, MCA TITLE 27, CHAPTER 5

THIS CONTRACT made as of [DATE] by and between the State of Montana acting by and through its DIRECTOR, DEPARTMENT OF ADMINISTRATION, hereinafter called the Owner, and [ENGINEERING FIRM], hereinafter called the Engineer, for the following project: [PROJECT DESCRIPTION AND LOCATION], [A/E NUMBER].

**A. BASIC CONTRACT**

1. The Engineer shall provide Basic & Additional professional services for the Project in accordance with the Project Scope and with the Terms and Conditions of this Contract.
2. The Owner shall compensate the Engineer, in accordance with the Terms and Conditions of this Contract, as follows:

**[INSERT TOTAL SUM FOR SERVICES HERE]**

3. If there are professional services required beyond the scope of this Contract, those services will be negotiated based on the rates established in the Forms #105 and #117E. Such services must be authorized in writing by the Owner before the work is performed.
4. By signature on this Contract, the declaration is made that the Engineer is professionally qualified, registered, and licensed to practice in the State of Montana.

**B. THE ENGINEER'S BASIC SERVICES AND RESPONSIBILITIES**

1. The Engineer's Basic Services consist of the five phases described below which shall consist of: review of the Project Scope and Project budget furnished by the Owner and make recommendations for the specific requirements of the Project; confirm these requirements in cooperation with the Owner; investigate the Project site; attend meetings for the gathering of data and coordination of the Project; furnish data for the application for regulatory permits; prepare preliminary studies, cost estimates, working drawings,

specifications, and bidding information; assist in obtaining bids; review and approve shop drawings; review field and laboratory test; issue certification for payment, perform periodic site visits to inspect work, perform administration of the Construction Contract; perform substantial completion, final completion and warranty inspections; and other services as outlined in the Project Scope.

2. The Engineer's Additional Services shall consist of *[LIST ADDITIONAL SERVICES]* site/land surveys, field topographical survey, geotechnical investigation and record mylar drawings. The Engineer shall furnish, as part of the geotechnical investigation, the services of a soils engineer to determine soil bearing values and other necessary subsoil conditions.
3. The Engineer shall schedule design review conferences, which shall include the Owner and other interested parties, to discuss review comments. As a minimum, there shall be conferences at the end of the Schematic Design Phase, Design Development Phase and at 95% completion of the Plans and Specifications. The Engineer shall take minutes of all meetings and distribute typewritten copies to all parties attending the meeting within ten (10) calendar days.
4. The Engineer shall review the Project Scope and project budget furnished by the Owner and make recommendations for the requirements of the project within *[NUMBER]* calendar days after signing of this Contract. The Engineer shall establish the requirements and all design parameters in agreement with the Owner which shall then be incorporated into the Project Scope.
5. The Engineer shall be responsible for providing the local building code official with a set of plans and specifications at each review phase. If there is not a local jurisdiction for building code review, the Owner will coordinate the review with the State Building Code Division.
6. The Engineer shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications and other services furnished under this Contract. The Engineer shall, without additional compensation, correct or revise and errors, deficiencies or omissions in the designs, drawings, specifications, estimates and other services.
7. Neither the Owner's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract. The Engineer shall remain liable to the Owner for any and all damages caused by the Engineer's negligent performance of any of the services furnished under this Contract.
8. The rights and remedies of the Owner provided for under this Contract are in addition to any other rights and remedies provided by law.

9. When commissioning services are required and/or requested by the Owner, the Engineer shall cooperate with the Owner in selecting a Commissioning Agent. The Engineer shall participate in commissioning of the project and all project systems at no additional cost to the Owner. The Commissioning Agent shall be under separate Contract to the Owner.

C. SCHEDULE

The Engineer shall submit a Schedule for the Owner's review and approval outlining all time frames, projections and milestones for all reviews, meetings, investigations, design phase efforts and other portions of the overall project including, but not limited to, a projected bid opening date and construction time frame. The Schedule shall be developed and submitted for review and written approval within ten (10) working days of the agreement on Project Scope. Changes and/or alterations to the Schedule shall not be permitted without the written approval of both the Engineer and Owner.

D. SCHEMATIC DESIGN PHASE

1. The Schematic Design Phase shall commence with the signing of this Contract and shall be complete with the Owner's approval of the Schematic Design Documents. The Schematic Design Documents shall constitute approximately 10% of the total design effort.
2. The Engineer shall prepare, for approval by the Owner, Schematic Design Documents, consisting of drawings, outline specifications and similar documents illustrating the scale and relationship of project components.
3. The Engineer shall provide [NUMBER] set(s) of Schematic Design Documents, including Estimate of Construction, to [AGENCY P.O.C.], and NUMBER set(s) of the same to the Owner for review.

E. DESIGN DEVELOPMENT PHASE

1. The Design Development Phase shall commence with the Owner's approval of the Schematic Design Documents and shall be complete with the Owner's approval of the Design Development Documents.
2. The Engineer shall provide, within [NUMBER] calendar days of agreement on the Project Scope, a certified Site Survey describing all physical characteristics, legal limitations, grades and lines of streets, alleys, pavements and adjoining property; rights of way, restrictions, easements, covenants, encroachments, zoning, deed restrictions, boundaries and contours of the site; elevations; locations, dimensions and complete data pertaining

to existing buildings, other improvements and trees; and full information concerning available service and utility lines both public and private.

3. The Engineer shall provide, within [NUMBER] of calendar days of agreement on the Project Scope, a Geotechnical Investigation which shall include, but not be limited to, test borings, test pits, determinations of soil bearing values, percolation tests, and evaluations of hazardous materials with a written report and recommendations.
4. The Engineer shall prepare, for approval by the Owner, Design Development Documents consisting of drawings, sketches, specifications, Estimate of Construction Cost, and similar documents necessary to fix and describe the size and character of the entire Project and other elements as defined in the Project Scope.
5. Design Development Documents shall constitute 35% of the total design effort.
6. The Engineer shall provide [NUMBER] set(s) of Design Development Documents, including the Estimate of Construction Cost, to [AGENCY P.O.C.] and [NUMBER] set(s) of the same to the Owner for review.

#### F. CONSTRUCTION DOCUMENTS PHASE

1. The Construction Documents Phase shall commence with the Owner's approval of the Design Development Documents and shall be complete with Owner's approval of the final Plans and Specifications and the final Estimate of Construction Cost.
2. Based on the approved Design Development Documents and any adjustments required in the Project Scope and/or fixed limit of Construction Cost, the Engineer shall prepare, for approval by the Owner, Construction Documents. These documents, which shall consist of Plans and Specifications and a final Estimate of Construction Cost, shall set forth in detail, the requirements for the construction of the entire Project.
3. During the preparation of the Plans and Specifications, the Engineer shall advise the Owner of any adjustments to previous estimates of Construction Cost indicated by changes in Owner requirements or general conditions and revise said estimate accordingly.
4. The Construction Documents Phase shall constitute 100% of the design effort inclusive of any responses and alterations due to comments received upon review from the Owner, building codes officials, user groups or other interested third parties.
5. The Engineer shall assist the Owner in filing the required documents for the approval of governmental authorities having interest in the Project.
6. The Engineer shall provide [NUMBER] set(s) of Plans and Specifications along with the

final estimate of Construction Cost to [AGENCY P.O.C.], and [NUMBER] set(s) of the same to the Owner for final review. This final review shall constitute a submission of the Plans and Specifications at 95% completion of the design effort where the remaining 5% shall consist of incorporating final review comments and inclusion of the “Boiler Plate.”

7. The Engineer shall request the “Boiler Plate” and essential bidding information from the Owner upon submission of the Plans and Specifications for final review.
8. The Engineer shall incorporate review comments and make all corrections, additions, or deletions to the Plans and Specifications prior to distribution for bidding purposes, without the use of addenda, unless approved by the Owner.
9. The Engineer shall furnish and distribute [NUMBER] set(s) of Plans and Specifications for bidding purposes, and one set to the Owner as a record office set.

#### G. BIDDING PHASE

1. The Bidding Phase shall commence with the incorporation of final review comments and the Owner’s approval of the Plans and Specifications and the final Estimate of Construction cost and shall be complete with the issuance of the Notice To Proceed of the Construction Contract.
2. The Engineer, following the Owner's approval of the Plans and Specifications and the final Estimate of Construction Cost, shall assist the Owner in obtaining bids and in awarding the Construction Contract(s). Any interpretation of the Plans and Specifications, by the Engineer, will be issued to all plan holders by addenda. The Engineer will not issue any addenda within seven (7) days of the bid opening without the permission of the Owner.

#### H. CONSTRUCTION COST OF THE PROJECT

1. Construction Cost does not include the fees of the Engineer, the cost of the land, rights-of-way, or other costs which are the responsibility of the Owner.
2. Estimates of Construction Cost prepared by the Engineer must represent his best judgement based upon the latest published cost data and general conditions of the construction industry in the area where the project is to be constructed.
3. When the fixed limit of Construction Cost is established in conjunction with the Project Scope, the Engineer shall determine, with the interaction of the Owner, what materials, equipment, components, systems, and types of construction are to be included in the Plans and Specifications, and to make reasonable adjustments in the Project Scope to bring it within the fixed limit. The Engineer may also include up to four (4) Additive Alternates

to the Base Bid to ensure the bids are within the fixed limit of Construction Cost.

4. If the final Estimate of Construction Cost exceeds the fixed limit of Construction Cost (including any Alternates and bidding contingencies), the Owner may:
  - a. Give written approval of an increase in the fixed limit of Construction Cost; or
  - b. Confer with the Engineer in revising the Project to reduce the final Estimate of Construction Cost. Such revisions shall be at the expense of the Engineer.
5. If the lowest responsible bid exceeds the fixed limit of Construction Cost (including any Alternates and bidding contingencies), the Owner may:
  - a. Give written approval of an increase in the fixed limit of Construction Cost; or
  - b. Negotiate deductive changes, not to exceed 7% of the total cost of the project with the lowest responsible bidder; or
  - c. Confer with the Engineer in revising the Project to reduce the final Estimate of Construction Cost and rebid the Project. Such revisions shall be at the expense of the Engineer.

#### I. CONSTRUCTION PHASE - ADMINISTRATION OF CONSTRUCTION CONTRACT

1. The Construction Phase shall commence with the issuance of the Notice To Proceed of the Construction Contract and shall be complete when the Contractor has completed the corrections from the warranty inspection.
2. The Engineer shall provide administration of the Construction Contract as set forth in Paragraphs 1 through 13 of this Article inclusive of the General Conditions of the Contract for Construction, AIA Document A201, 1987 Edition, **or** the General Conditions of the Contract, Department of Administration dated 8-1-96 whichever is included in the Specifications.
3. The Engineer shall be the representative of the Owner throughout the duration of this Contract and as such shall advise and consult with the Owner. The Engineer shall have authority to act on behalf of the Owner to the extent provided in the General Conditions of the Construction Contract unless otherwise modified in writing.
4. The Engineer shall arrange and conduct a pre-construction meeting, in cooperation with the Owner, after the Owner has given Notice to Proceed to the Construction Contractor. The Engineer shall take minutes of the meeting and distribute typewritten copies to all parties attending the meeting within five (5) calendar days.

5. The Engineer shall visit the project site a minimum of [NUMBER] times to familiarize himself with the progress and quality of the work and to determine if the Project is proceeding in accordance with the Plans and Specifications. The Engineer shall conduct monthly job meetings with the Contractor's and Owner's representatives. The Engineer shall take minutes of the meeting and distribute typewritten copies to all parties attending the meeting within five (5) calendar days. The Engineer shall furnish the Owner with written field reports on a form approved by the Owner within five (5) calendar days of a project site visit.
6. Based on observations at the site and the Contractor's Form 101, Periodic Estimate for Partial Payment request, the Engineer shall determine the amount owing to the Contractor and shall act upon the Contractor's Periodic Estimate for Partial Payment within seven (7) days of receipt. Certification of the Contractor's Form 101 shall constitute a representation by the Engineer to the Owner that the work has progressed to the point indicated; that to the best of the Engineer's knowledge, information and belief, the quality of the work is in accordance with the Plans and Specifications; and that the Contractor is entitled to payment in the amount certified. If, in the Engineer's opinion, the Contractor is not entitled to the amount indicated on Form 101, he shall evaluate what percentage is due, inform the Owner, and then return the Periodic Estimate for Partial Payment to the Contractor for revision.
7. The Engineer shall be the interpreter of the requirements of the Plans and Specifications. All interpretations, responses to requests for information, and decisions concerning the Plans and Specifications shall be in writing and issued to the Contractor and Owner by the Engineer.
8. The Engineer shall have authority to reject work which does not conform to the Plans and Specifications. The Engineer shall advise the Owner of any and all rejected work and, if in his reasonable opinion, it may be necessary to stop work. The Owner will issue any Stop Work Orders to the Contractor.
9. The Engineer shall review, approve, or take other appropriate action on shop drawings, samples, and other submissions by the Contractor to ensure compliance with the Plans and Specifications.
10. The Engineer shall, in consultation with the Owner, prepare Change Orders and ascertain that Change Order amounts are fair and reasonable. The Owner is the approving authority and the Engineer shall not order any work done without prior approval by the Owner.
11. The Engineer shall conduct inspections as part of his contracted site visits to determine the Dates of Substantial Completion and Final Completion. The Engineer shall not authorize Substantial Completion nor Final Completion without the approval of the Owner.

12. The Engineer shall receive, review and approve or reject written warranties, operation and maintenance manuals and related materials required of the Contractor in accordance with the Plans and Specifications.
13. The Engineer shall furnish the Owner a set of Record Mylar Drawings and incorporate changes made during the construction process which reflect the as-built conditions. The Record Mylar Drawings shall be provided to the Owner not less than thirty (30) calendar days after the date of Substantial Completion. The Engineer shall also furnish the Owner with a full set of Record Drawings in AutoCad electronic media format.

J. WARRANTY PERIOD AND INSPECTION

1. The warranty period shall be as defined in the Specifications as being for one (1) calendar year from the date of Substantial Completion.
2. The Engineer shall provide his services as defined in this Contract for the full term of the warranty period.
3. On a quarterly basis for the full warranty period, the Engineer shall conduct warranty inspections to determine if any defects in the work exist. The Engineer shall notify the Owner, both verbally and in writing of defects, and whether or not the defective work is covered by the warranty. All warranty work or repairs shall be under the direction of the Engineer. The Engineer shall notify the Owner of defective work and shall then, in conjunction with the Owner, notify the Contractor in accordance with the General Conditions of the Construction Contract.

K. PAYMENTS TO THE ENGINEER

1. Payments for the Engineer's Basic Services shall be made as follows:
  - \$\_\_\_\_\_ upon completion of the Schematic Design Phase.
  - \$\_\_\_\_\_ upon completion of the Design Development Phase.
  - \$\_\_\_\_\_ upon completion of the Construction Documents Phase.
  - \$\_\_\_\_\_ upon completion of the Bidding Phase.
  - \$\_\_\_\_\_ upon completion of the Construction Phase.
  - \$\_\_\_\_\_ upon completion of all Warranty Inspections.
2. Payments for the Engineer's Additional Services shall be made as follows:
  - \$\_\_\_\_\_ upon completion and acceptance of the Site Survey.
  - \$\_\_\_\_\_ upon completion and acceptance of the Geotechnical Investigation.
  - \$\_\_\_\_\_ upon receipt of the Record Mylar Drawings.



3. Payments for the Architect's Supplemental Services shall be made as follows:

\$\_\_\_\_\_ unit cost per additional trip to Construction Site if requested by the Owner.

4. Until the work is Substantially Complete, the Owner will pay ninety (90%) percent of the amount due the Engineer on account of progress payments. The remaining amount due, other than that specified for Warranty Inspections or Record Mylar Drawings, will be paid to the Engineer upon completion and Final Acceptance of the Project.
5. If the Owner determines that any representations by the Engineer are wholly or partially inaccurate, the Owner may withhold payment of sums otherwise due the Engineer until the inaccuracy and its cause have been corrected to the Owner's satisfaction.
6. Each request for payment submitted by the Engineer shall be on Form 108 provided by the Owner. The Engineer shall provide certification, with his request for final payment after Final Acceptance of the Project, that all bills for materials, supplies, utilities and for all other items or services furnished or caused to be furnished and used in the execution of this Contract have been fully paid to date and that there are no unpaid claims or demands of State or Federal Agencies, sub-contractors, consultants, employees, or any others resulting from or arising out of any work done under this Contract.
7. Payments for Reimbursable Expenses, as defined in this Contract, shall be made upon presentation, review and approval of the Engineer's statement of actual expenses.
8. A fee will be negotiated for work done on Change Orders only if the Change Order is Owner initiated or the result of unforeseen conditions related to the site. Change Orders, as a result of errors, lack of foresight, lack of coordination between disciplines, omissions or negligence by the Engineer shall be performed at his expense and shall include all associated construction costs related to that portion which is over and above what the Owner would have paid if the Change had been incorporated in the Plans and Specifications.
9. The Engineer shall not be reimbursed nor receive additional fees for time extensions of the Construction Contract for: weather delays; lack of or poor Contract administration; lack of or poor Contractor oversight; lack of or poor responsiveness to shop drawings, requests for information, pay requests, Change Orders; other than Owner initiated Change Orders; or a thirty (30) day extension or less.

#### L. REIMBURSABLE EXPENSES

1. Reimbursable Expenses are in addition to the fees for Basic and Additional Services and are actual expenses incurred by the Engineer, his employees, or his consultants in the interest of the Project as specified in the following paragraphs.

2. Expense of transportation, lodging and per diem when traveling in connection with the Project, for other than the site visits specified above, if authorized in writing in advance by Owner.
3. Actual expenses under this Article shall be reimbursed per the unit costs listed on Form 105 as negotiated with the Owner.

M. OWNER'S RESPONSIBILITIES

1. The Owner shall provide information regarding his requirements for the Project Scope.
2. The Owner or his representative shall examine documents submitted by the Engineer and shall render decisions pertaining thereto.
3. The Owner shall furnish and pay for the structural, mechanical, chemical and other laboratory tests, inspections and reports as required.
4. The Owner shall furnish and pay for accounting and insurance services as may be necessary for the Project, and such auditing services as he may require to ascertain how or for what purposes the Engineer or Contractor has used the moneys paid under this Contract and/or the Construction Contract.
5. If the Owner observes or otherwise becomes aware of any fault or defect in the Project or non-conformance with the Plans and Specifications, he shall give prompt notice thereof to the Engineer.
6. The Owner shall prepare for the Engineer, upon the Engineer's request, the necessary bidding information, wage rates, and the General and Supplementary General Conditions of the Construction Contract, commonly called the "Boiler Plate", for inclusion into the Specifications.

N. RELATIONSHIP

The relationship of Engineer to Owner under this Contract is that of an Independent Contractor. The Engineer is not an employee of the State of Montana, is not carrying out the regular business of the State and is not subject to the supervision and control of the State. Each of the parties will be solely and entirely responsible for their own acts and the acts of their employees. No benefits are provided by the State of Montana to the Engineer or the Engineer's employees.

O. SUCCESSORS AND ASSIGNS

The Owner and the Engineer, each binds himself, his partners, successors, legal representatives, and assigns to the other party to this Contract, and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Contract. Neither the Owner nor the Engineer shall assign or transfer his interest in the Contract without written consent of the other.

P. TERMINATION OF CONTRACT

1. The Engineer or Owner may terminate this Contract upon giving written notice to the other that such party has failed to fulfill its obligations under this Contract. In the event of such default, the Engineer or Owner shall notify the other and allow ten (10) calendars upon receipt for correction action. Should no satisfactory corrective action be taken by the defaulting party, the other shall have right to terminate the Contract.
2. The Owner may terminate this Contract without cause at any time upon giving written notice to the Engineer. If the Contract is terminated for the convenience of the Owner, the Engineer shall be paid for all services rendered prior to receiving the written notice.
3. If the Engineer fails to fulfill his obligations and the Contract is terminated, the Owner may prosecute the Project to completion by contract or other means available. The Owner may hold the Engineer liable for any and all additional costs incurred due to the Engineer's failure to perform. The rights and remedies available to the Owner provided herein are in addition to any and all other rights and remedies provided by law or equity.

Q. OWNERSHIP OF DOCUMENTS

1. All documents developed under this Contract are and shall become the property of the Owner whether the Project for which they are made is or is not executed.
2. The signing of this Contract shall constitute a complete transfer of ownership, intellectual property and copyright of all documents from the Engineer to the Owner upon Substantial Completion of the Project. Such transfer shall not be construed by the Engineer as a grant for usage nor can it be revoked by the Engineer.
3. The Owner agrees to indemnify and hold harmless the Engineer from any and all claims, demands and causes of action of any kind or character arising as a result of reuse of the documents developed under this Contract.

R. ENGINEER'S RECORDS

The State shall have access to all records, correspondence, and files of the Engineer, its employees, engineers, or consultants pertaining to the contract administration undertaken on behalf of the State. This access shall be continuing and survive the termination of the Contract for either cause or convenience. Such records shall be kept in a generally recognized format and shall be available to the Owner, Legislative Auditor, the Legislative Fiscal Analyst or his authorized representative at mutually convenient time for a period of three (3) years after completion and acceptance of the Project by the Owner.

S. CONTINGENT FEES

The Engineer warrants that he has not employed or retained any person, partnership, or corporation, other than a bona fide employee or agent working for the Engineer to solicit or secure this Contract, and that he has not paid or agreed to pay any person, partnership, or corporation, other than a bona fide employee or agent, any fee, or any other consideration, contingent upon the making of this Contract.

T. LATE ADDENDA

The Engineer agrees not to issue any addenda within seven (7) calendar days prior to the date of the bid opening for the project without first securing permission from the Owner.

U. EXTENT OF CONTRACT

This Contract represents the entire and integrated agreement between the Owner and the Engineer and supersedes all prior negotiations, representations or agreements, whether written or oral. This Contract may be amended only by written instrument signed by both Owner and Engineer.

V. VENUE

In the event of mediation, arbitration, or litigation concerning the Contract, venue shall be the First Judicial District in and for the County of Lewis and Clark, Montana, and the Contract shall be interpreted according to the Laws of Montana.

W. INDEMNITY AND HOLD HARMLESS

The Engineer shall indemnify and hold harmless the State of Montana from and against all damages, claims and liability arising out of the negligent acts, errors or omissions of the Engineer, its officers, agents, consultants, and employees, including all judgements, awards,

losses, expenses, costs and attorneys' fees.

X. INSURANCE

1. The Engineer shall procure and maintain insurance sufficient for protection from claims, actions, damages and liability due to or arising out of bodily injury, automobile accidents, personal injury, sickness, disease, death or other incidents for himself and all his employees and from claims, actions, damages and liability to or destruction of property including losses resulting therefrom.
2. The Engineer shall procure and maintain professional liability insurance [up to ()% of the construction cost of the project] for protection from and against all claims, actions, damages and liability caused or arising out of negligent acts, errors or omissions of the Engineer, its officers, agents, consultants, and employees.

Y. DISPUTE RESOLUTION BETWEEN OWNER AND CONTRACTOR

1. In the event a dispute arises between the Owner and Contractor, or any other party, whether during construction or thereafter, the Engineer shall advise and consult with the Owner in attempting to resolve the dispute, whether informally or by mediation, arbitration, or litigation. The Engineer will make himself and/or its agents and employees available and shall permit inspection of his records. In the event that it is ultimately determined that the Engineer did not cause or contribute to the damages or expenses alleged, the Engineer shall be reimbursed by the Owner for all costs reasonably incurred.
2. In the event the Engineer caused, in whole or in part, the dispute or controversy, the Engineer shall bear his costs for participating in the resolution.

Z. DISPUTE RESOLUTION BETWEEN OWNER AND ENGINEER

1. Any and all controversies, disputes, claims or other matters between the parties arising out of or related to this Contract, or breach thereof, shall be decided and settled by arbitration in accordance with the Uniform Arbitration Act, Title 27, Chapter 5 of Montana Code Annotated.
2. Each party shall be responsible for and bear its own costs of any arbitration, except those awarded by arbitration.
3. Good faith effort and attempt shall be made by both parties to decide and settle any and all controversies, disputes, claims or other matters prior to initiating arbitration proceedings either through negotiation or mediation. Mediation shall be conducted

conducted by a neutral third party agreed to in writing by the parties in dispute.

4. The complaining party shall, at a minimum, provide notice of any claim, dispute or potential for legal proceedings pursuant to the applicable statute(s) of limitations as provided in Montana law. However, a complaining party may demand initiation of a resolution through arbitration upon 15 calendar days written notice to the other party of the conditions that give rise to the complaint or dispute.
5. Lewis & Clark County, State of Montana shall be the venue for all arbitration proceedings. Montana law shall govern any arbitration. All arbiters shall be certified by the American Arbitration Association.
6. When written demand for arbitration has been made, the manner of arbitration with regard to the selection and number of arbiters shall be mutually agreed upon in writing by both parties. If the parties cannot agree, petition shall be made to the First Judicial District Court of Lewis & Clark County for selection of arbiter(s).
7. During arbitration and resolution of any dispute, complaint or claim, the Engineer shall continue with scheduled performance of work in accordance with this Contract. The Owner shall continue to make payment in accordance with the provisions of this Contract except in those areas involving the complaint, dispute or claim.

AA. EMPLOYMENT

1. The Engineer shall be familiar with and be responsible for and adhere to all Federal and State requirements regarding employment practices.
2. All hiring and other employment practices of the Engineer shall be in accordance with Federal Equal Employment Opportunity Commission regulations and shall be nondiscriminatory, based on merit and qualifications without regard to race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap, or national origin.

This Contract entered into as of the day and year first written above:

ENGINEER \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

Taxpayer's I.D. No. \_\_\_\_\_

Is this firm incorporated? \_\_\_\_\_ no \_\_\_\_\_ yes

OWNER: STATE OF MONTANA  
DEPARTMENT OF ADMINISTRATION

\_\_\_\_\_  
Director, Department of Administration

\_\_\_\_\_  
Date